Introduction to Cost Accounting

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Army MEPRS Program Office Staff.

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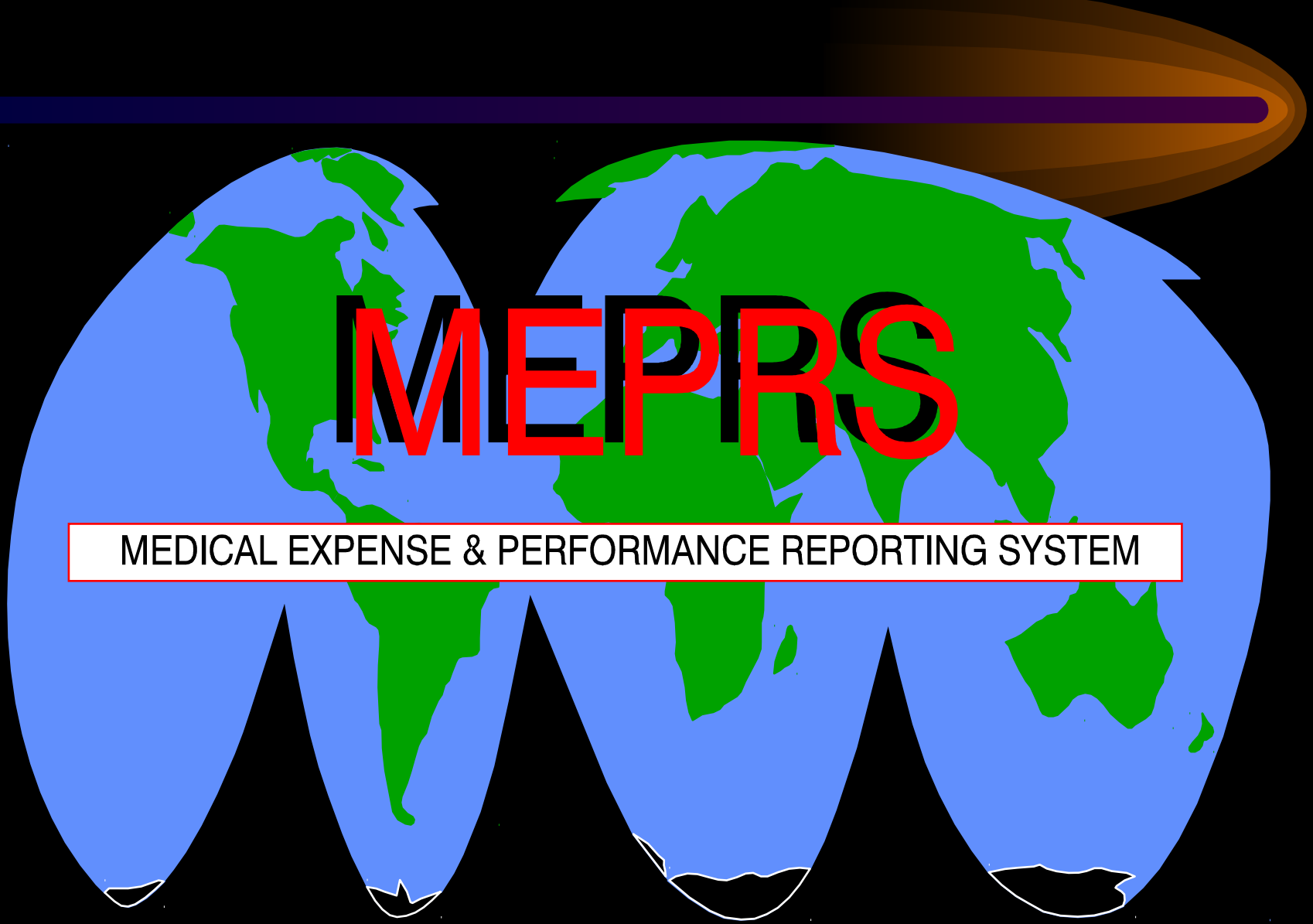
Welcome to the Wonderful World of...



WHAT THE HECK IS MEPRS??

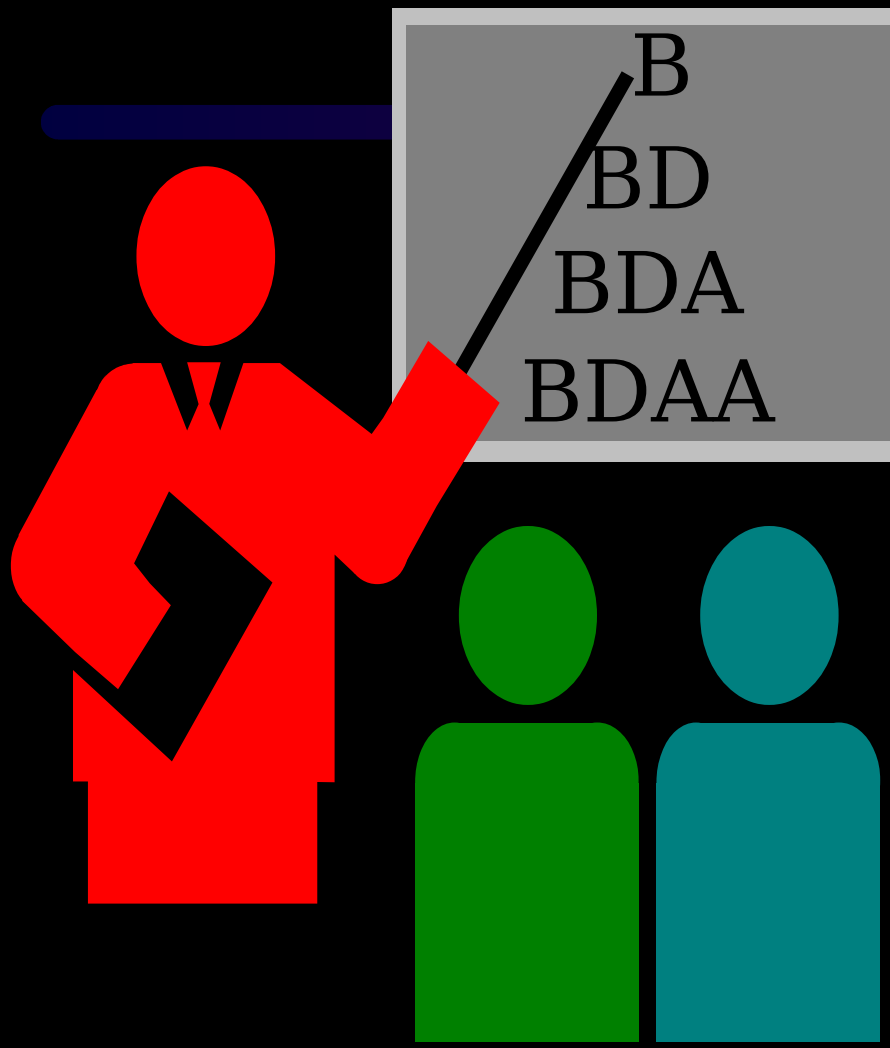
MEPRS IS…

THE *Cost Accounting System*
which provides consistent principles, standards, policies, definitions, and requirements for the accounting and reporting of expenses, manpower, and performance of Army, Air Force, and Navy fixed military medical a[illegible]t facilities

Basic MEPRS Coding

- A – Inpatient
- B – Ambulatory
- C – Dental
- D – Ancillary Services
- E – Administrative and Support Services
- F – Special Programs
- G – Medical Readiness

MEPRS Account Structure



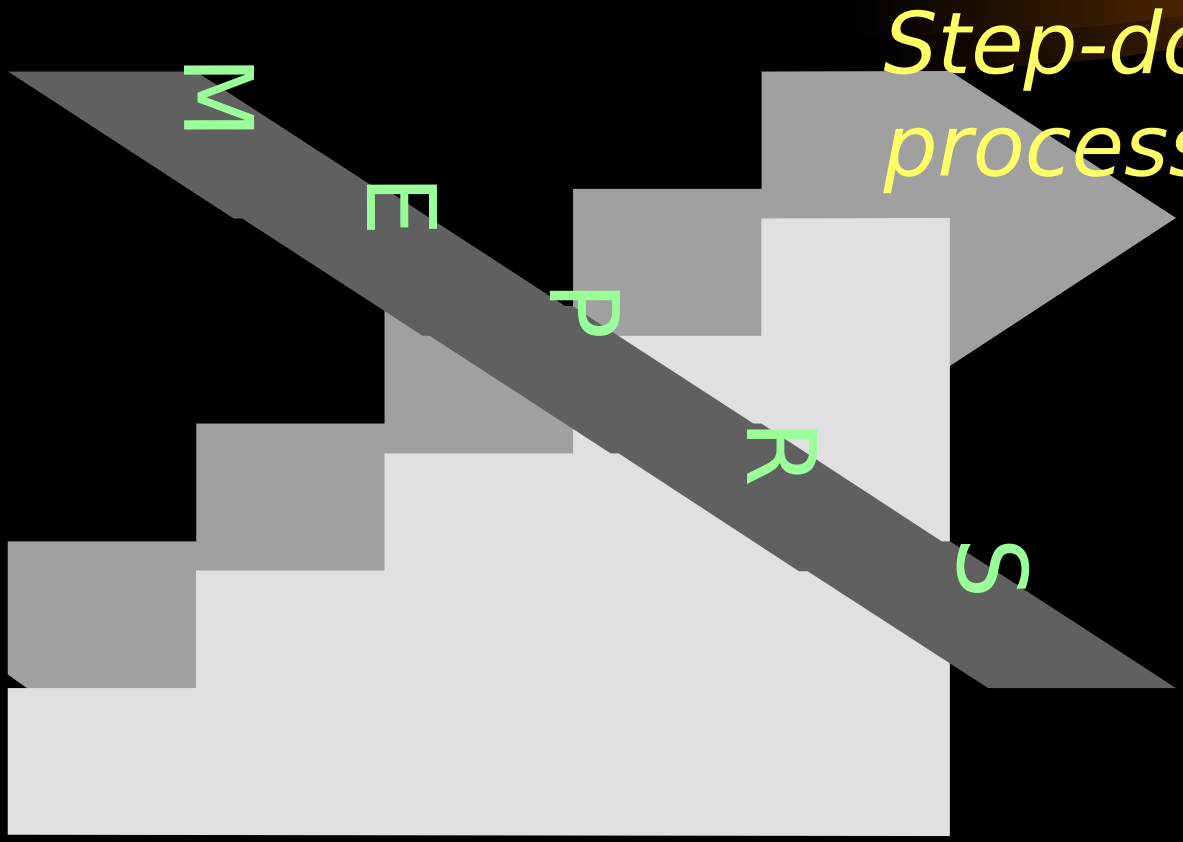
- B – Outpatient
- BD – Outpatient Pediatrics
- BDA – Outpatient Pediatric Care
- BDAA – A Physical Pediatric Care Clinic = Standalone Work Center

Cost Accounting Concepts

Charges for labor, materials, and contractual services are accumulated in the account of the performing activity then transferred to the benefiting work center.

This is known as ***Cost Allocation = which is the Stepdown Process in EASi***.

In MEPRS, costs are allocated through a



For example,

The cost of tidying-up is transferred from Housekeeping Division, to the various work centers in the hospital based on square footage cleaned reported in EASi.

Cost Accounting Concepts

Costs are collected in the smallest organizational unit with assigned employees. These are called

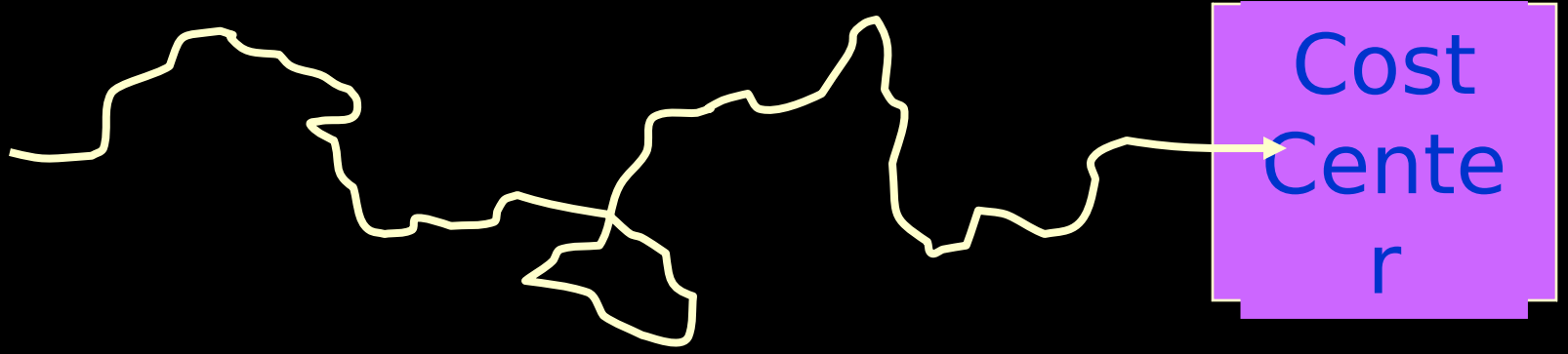
GFEBS Cost Centers =
Standalone Work Centers =
4th Level MEPRS Code

Say it isn't so…are you sure we can't have a MEPRS code to track workload?

Cost Accounting Concepts

Costs attributed to a cost center includes
both direct costs...

...and indirect costs.



A direct cost includes labor, material, contracts, supplies, equipment, etc. that can be identified directly with the work center.

Indirect costs are those same things that *cannot* be directly identified with the work cente

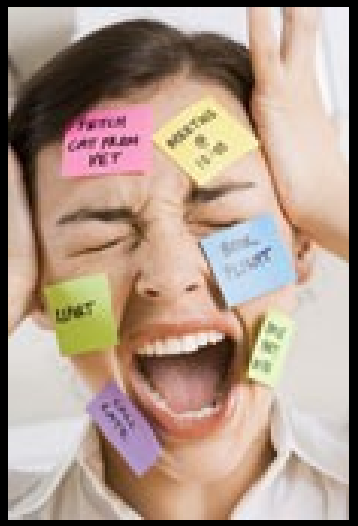
Such costs are most commonl thought of as “overhead” cost

Cost Accounting Concepts

Other Costs such as TDY = Costs incurred OUTSIDE of a cost center = FALB, FALD, GBAA, GDAF, etc. These costs should align to the FTES in DMHRSi……

Cost Accounting Concepts

Overhead Application



Stay
awhile!

Cost Accounting Concepts

The costs for **Materials and Supplies** Should be charged to the cost center that used them !!!

The MEPRS codes of EEAA (Log) and EBC* and EBD* Admin codes are not intended to be used as central inventory MEPRS codes for supply and equipment because expenses will not step down to the correct benefiting cost center !

Overhead

is applied based on actual costs incurred and allocated/step down in EASi based on predetermined performance factors.

Such as, miles driven, square footage,
Square footage cleaned, meals served,
Visits, minutes of service, etc.

Commitment Items/ Element of Resource

Common to the more common budget system,
the common CIs/EOR is common to both

By this you commonly see how the budgetary and common cost accounting.
common
element in common is alike in many ways.
If you understood that, consider yourself uncommonly brilliant.

In MEPRS,

EORs/CIs are cross-walked to...

SEECs.

This standardizes cost reporting among the three Services...

In GFEBS, EORs are called Commitment Items (CIs)

How are Salaries calculated in EASi?

Salaries and Wages

Salaries and wages (except contract labor costs) are charged to each 4th level MEPRS code where available hours are reported based on actual civilian payroll and military DoD Composite Rate in DMHRSi. It is important for MEPRS and Budget to align the contract costs to the man hours reported in DMHRSi.

Cost Accounting Concepts

Contractual Services - services received from
private companies or other U.S. Government
activities outside the accounting entity.

As in budgetary accounting,
contract costs are identified as an
operational cost of the organization.

lowever, unlike budgetary accounting,
ontract costs are identified as an
perational cost to the ***benefiting work cent***

For example,

Consolidated contracts have increased the workload of MTF MEPRS personnel when they try to adjust the costs to the correct standalone work center by 4th level MEPRS Code

IF,

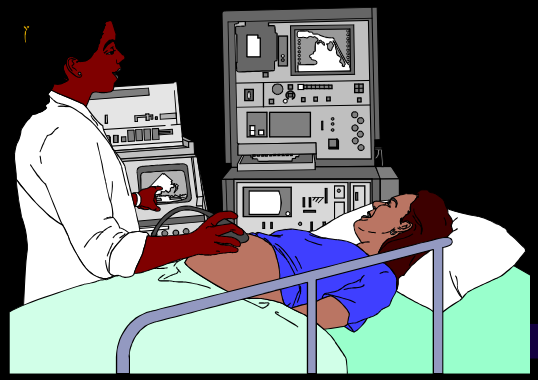
THEY CAN FIGURE OUT WHERE THE COSTS BELONG AND IF THEY MAKE ADJUSTMENTS IN EASi

DEPRECIATION

Depreciation is a process that recognizes the cost of depreciable property, plant, and equipment as operating expense over the period in which the assets are expected to provide benefits. MEPRS should ensure that they do not depreciate equipment that was already expensed.

Q: What is the definition of an accountant?

A: Someone who solves a problem you didn't know you had in a way you don't understand.



Data Validation

- Prior to import of the source files each MTF is required to reconcile/validate data.
- Workload –v – man hours
- Man hours –v – workload
- Expenses – v – man hours/workload
- CRITICAL - 4th level MEPRS codes need to be aligned in all

???
Question for the Day

Are MEPRS Codes Intended to Track a Type of Workload, a Type of
funding, type of program, etc?

MEPRS